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1992 Annual Report

A new era of optimism

Massachusetts Government Land Bank

We dedicate this Annual Report to the memory of Robert E. Freeman who served as Project Manager, and later, as the Director of Projects at the Land Bank. We appreciate his contribution to the Land Bank and to the many other organizations, individuals and causes that he so greatly influenced. But it is, perhaps, his intelligence, warmth and humor that we will miss the most.



Given the dramatic changes in the economic climate of the Commonwealth, development opportunities have become increasingly challenging and complex. To meet the demands of a constrained economic environment, the Land Bank has reshaped its operating strategy, refocused its priorities, and sought to forge new partnerships. We have defined our central mission as one of aggressively employing our flexible financing capacity to leverage and partner with scarce financial resources from elsewhere in the public and private sectors.

Acknowledging the constraints in the public and private lending community, we have worked hard to improve and clarify our priorities and standards to more effectively evaluate and finance projects. Many of these changes grew out of an extensive review by the Board and staff with assistance from the management consultants, McKinsey & Company.

A key focus in 1992 has been to increase public awareness of our programs and to reach out to identify projects that would benefit from our assistance. To make this possible, the Land Bank Board endorsed the creation of a staff Development Team, concentrating on the needs of underserved regions of the state. Satellite offices have been established in Southeastern and Western Massachusetts as well as in Central Worcester County. The success of these offices and the approach of the Development Team in building personal relationships, initiating on-site visits, and assisting sponsors in getting their projects ready for Land Bank financing is evidenced in the dramatic growth in the number and scope of development proposals in the Land Bank funding pipeline.

The complexity of launching economic development initiatives has been rivaled by the increasing constraints imposed on the Commonwealth's affordable housing agenda. As federal and state resources for housing have diminished over the past two years and the credit crunch has further inhibited private lenders, the Land Bank has had to become increasingly inventive with its financing resources, the clarity of its processing, and its coordination with other funders. Realizing that collaboration with our sister agencies enhanced our ability to fill financing gaps, we have actively participated in an innovative joint application process for affordable housing, aptly named "One-Stop." We think that our role in helping to finance affordable housing in Massachusetts has never been more central than at present. Thus over the last few years we have been involved in helping to finance upwards of 1,300 units of special needs and family housing statewide.

The Land Bank has both initiated and supported some of the state's largest economic development efforts to promote regional growth. In July 1991,

Governor Weld designated the Land Bank as the lead agency to manage the redevelopment of Ft. Devens. Representing a return to the kind of development effort for which the Land Bank was originally created, we see the process of converting Fort Devens an exciting and challenging initiative requiring the cooperative engagement of local, state, and federal organizations. While the job is complex and long-term, we look forward to working with these many parties to successfully develop the base in the best interests of the surrounding communities and the Commonwealth.

As the Land Bank entered the '90's, our goal has been to marshal our resources to cultivate development opportunities that will enhance the Commonwealth's economic stature, respond to pressing economic development needs through supporting regional priority projects, and expand housing opportunities for families and individuals who have been closed out of the affordable housing market.

We can look back at our portfolio of investments that have successfully leveraged substantial public and private financing, brought jobs to communities, added new sources of revenues to municipalities, and renewed optimism in regions thwarted by the economic turmoil that has beleaguered our state for the past several years. Our lending role has been expanded. Since 1990, the Land Bank has financed over 15 separate projects throughout Massachusetts, totalling over \$13 million, and committed another \$33 million to 24 additional projects. These investments are generating over 700,000 square feet of industrial and commercial space, 600 acres of industrial land, and 1,300 housing units, while helping to create or maintain over 1,500 permanent jobs. These accomplishments have affirmed and strengthened our commitment to fostering a spirit of cooperation between the public and private sectors to restart and reshape Massachusetts' economy.

The Land Bank's history as a dynamic and responsive organization adapting to the inevitable changes in the state's economic landscape has laid the foundation for a new era of optimism, commitment and untapped opportunities. The projects portrayed in this report represent the diversity of our clients and the regions we serve. Perhaps most importantly, they emphasize the tenacity and resourcefulness of the individuals who are dedicated to removing the barriers to opportunity and creating new possibilities for growth.


Signed,



Langley C. Keyes, Jr.,
Chairman



Timothy A. Bassett,
Executive Director

An aerial photograph of a town, likely in Massachusetts, showing a large bridge spanning a river or valley. The town is nestled in a valley with dense forest on the surrounding hills. A prominent church steeple is visible on the right side of the town. The overall scene is captured in a monochromatic blue-green color scheme.

For almost two decades, the Land Bank has committed significant financial, technical, and development assistance to real estate projects that spurred economic activity in a broad spectrum of communities and regions that were not part of the evolving, and now ended, Massachusetts "miracle." These were underserved areas of the state that needed jobs, investment and long-term strategies for economic growth. As a result of Land Bank investments, our mandate and goal of stimulating development opportunities in targeted cities and towns throughout Massachusetts has, and will continue to be realized.

However, these are still difficult economic times for the state, as they are for the nation. Indicators of financial stability are still elusive. Vast numbers of Massachusetts residents are out of work. Companies are downsizing or relocating out of the region, leaving a growing number of cities and towns questioning how economic opportunities can be nurtured for future growth. The Land Bank's experience and commitment to charting new paths to economic growth can play a key role in helping the state's underserved communities and regions move closer to economic recovery. As the economic needs of the Commonwealth have changed, the Land Bank has transformed its lending programs to help jump start development opportunities and real estate projects stalled for lack of investment in the current lending environment. The Land Bank targets its lending activities to projects that generate economic benefits to communities or regions to catalyze additional development. Sometimes, this requires that the Land Bank participates in higher risk, complex real estate projects, not immediately attractive to private lenders. At times, the Land Bank will act as a development partner, helping to manage a complex process that will take many years to unfold. As a public entity, the Land Bank helps to identify and act on opportunities that develop long-term economic assets,

primarily in underserved, high need urban areas and regions. Land Bank financing helps communities or regions eliminate blight, create or retain jobs, and revitalize commercial centers that strengthen an area's economic base. Garnering strong local support for development plans is an essential prerequisite for Land Bank financing. To address the diverse economic needs of Massachusetts' cities, towns and regions facing high unemployment or economic distress, the Land Bank provides permanent mortgage financing for commercial and industrial development projects. These include multi-tenanted commercial buildings and shopping centers; industrial park development; the financing of small business incubators; and the comprehensive redevelopment of critical sites. A common thread in the Land Bank's lending strategy is to structure project financing to meet the unique financing needs of individual projects. To assist early stage economic development projects resolve development issues and meet our lending standards, the Land Bank has expanded its funding of feasibility studies and technical assistance. These funds can help project sponsors explore and resolve technical uncertainties, assess the market demands for a proposed project, and to implement a long-term economic strategy, often necessary to ensure a project's viability. Our lending experience has taught us that investing early in the development process to establish feasibility and identify prospective problems enhances the potential for long-term success. The Land Bank works with community-based organizations, municipalities and

private developers to support and finance economic development projects which achieve a range of public benefits, from creating new employment opportunities to stimulating additional local investment. In a more expanded role, the Land Bank can function as a development partner with cities, towns, and non-profit organizations when additional development expertise to complete complex projects is necessary. This year's report describes the leadership role the Land Bank has been asked to play in managing the reuse of Ft. Devens to best serve the economic and quality of life needs of the north central Massachusetts region and the state. Also highlighted in this report is the Gloucester State Fish Pier. The Land Bank's role has expanded beyond managing the pier: it is now directing the construction of a new fish pier for the city along with the creation of industrial sites suitable for future marine related development. Although it is difficult to predict the economic forecast for the Commonwealth, the Land Bank will continue to play a proactive role in investing our resources to expand the development opportunities throughout the state, thus strengthening the economic base of local communities and regions. We will work in partnership with other state economic development agencies to identify key policy issues, share information, and marshal efforts to complete priority projects, ensuring that these projects are engines of economic growth for the state.



As almost every city and town in the Commonwealth entered the '90s preparing for the inevitable economic cutbacks and fiscal challenges, the City of Chelsea was caught in a downward spiral of economic hardships. Chelsea was facing bankruptcy. In

an unprecedented and dramatic action, the state placed the City of Chelsea into receivership, transferring the fiscal management of the city to the state. The Land Bank approached the city in 1991 to determine what role it could play in Chelsea's recovery. Were

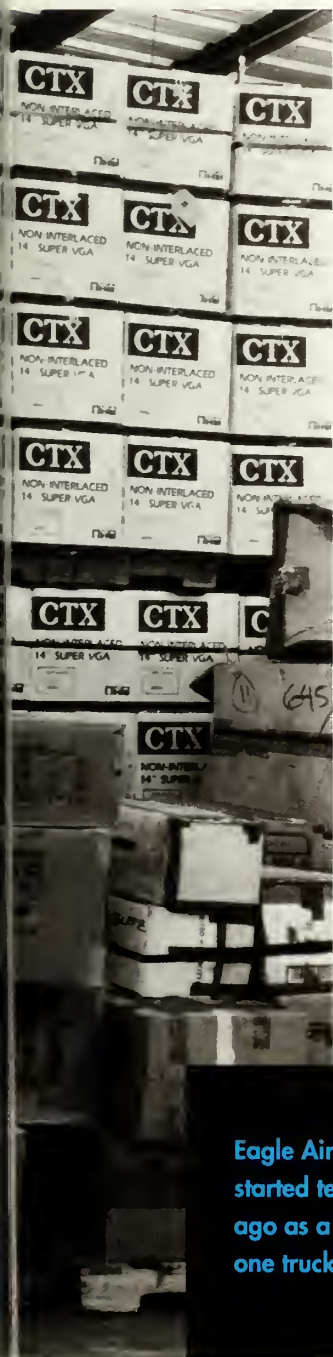
there economic development projects that were stalled for lack of investment? In the pipeline was a proposed construction of a new 60,000 square foot office and warehouse complex for a growing freight handling company. The owners of Eagle Air Freight, Mike and David



O'Brien, started their company ten years ago as a two-man, one truck operation. In one decade, they built their business into one of the largest international freight handlers in the region. Yet despite the company's steady growth and increased market share,

the O'Briens spent over five years trying unsuccessfully to secure financing for its expansion project. Tight credit markets and the stigma of Chelsea's fiscal demise required direct financial investment from the state. The Land Bank believed in the project and in its potential to position Chelsea as a locus for a variety of new economic activities. With over \$2.3 million from the Land Bank, enhanced by a \$500,000 loan from the state's Executive Office of Communities & Development (EOCD), the O'Briens were able to secure a \$2.6 million loan from Newworld Bank, allowing Eagle to go forward with its expansion. Furthermore, in June 1992, the Land Bank provided a bridge loan against the EOCD funding to permit construction to begin expeditiously. The building is already 100% pre-leased to tenants involved in freight forwarding, custom house brokering and import/export operations associ-

ated with Logan Airport and the Port of Boston. The new complex, to be completed this spring, capitalizes on Chelsea's locational advantage – one mile from Logan airport, and within easy access to downtown Boston and the Port of Boston. Eagle is poised, ready to ensure that Chelsea will play a major role in the growing and lucrative field of international trade. The construction of Eagle's new facility will provide immediate benefits to Chelsea's economy in terms of jobs and income. The new complex will employ a total of 400 workers from Eagle and other tenants involved in international freight handling, making this facility one of Chelsea's largest employers. Eagle will also expand the tax base of the city by generating \$75,000 in revenues each year. Chelsea can proudly teach others how to harness the resources of both the public and private sector in helping to turn a story of financial demise into one of growth, innovation, and opportunity.



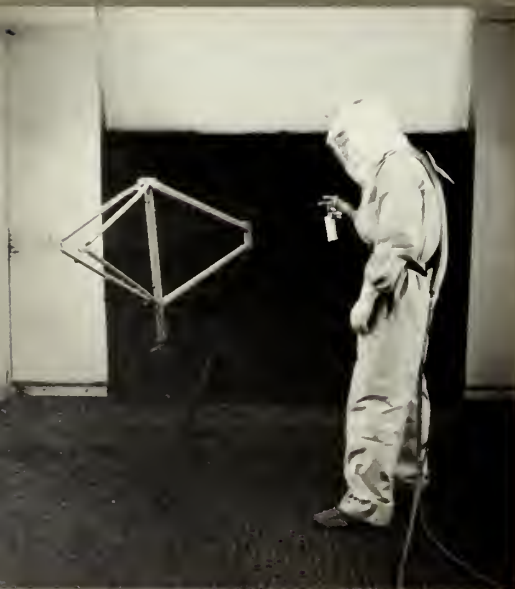
**Eagle Air Freight
started ten years
ago as a two-man,
one truck operation.**

34 Linden Street, Somerville

A severe economic recession, disinvestment, rising unemployment, and a tight credit market have threatened the vitality of Massachusetts' urban communities. While Somerville has experienced its share of unemployment, strained tax base, and limited prospects to revitalize its local economy, it has uncovered a way to achieve revitalization and job growth: matching growing local firms with under-utilized industrial buildings. Located in an old industrial section of the city, is the home of Fat City Cycle (FCC), a leading manufacturer of hand-built bicycles in the country. Despite the

company's outstanding reputation to produce mountain bikes, Fat City was having difficulty meeting the growing demands for their bikes, building on the boom in the popularity of mountain bikes. In their current facility, production capacity was lagging, in fact, during peak season, FCC carried a 25 week backlog, seriously challenging their ability to meet demand. To maintain their edge as a leader in the biking market, Fat City Cycle had to increase its manufacturing capacity. The non-profit Somerville Community Corporation (SCC) intervened and helped FCC obtain expansion capital and locate a larger production facility in Somerville's existing stock of industrial buildings. Assembling the \$1.2 million needed to finance the extensive rehabilitation and expansion of the industrial building took several years. With a loan of \$510,000 from the Shawmut Bank, a matching loan from the Land Bank, \$45,000 from Local Initiatives Support Corporation (LISC), and

\$100,000 from the Somerville Local Development Corporation, the renovations are almost completed, ensuring the continuing benefits of the project. As one of the few projects to build on Somerville's manufacturing base in the last few years, the SCC's expansion project at the Linden Street building represents a success story for a local entrepreneur who has put Somerville on the map of the bicycling world. For the SCC, their experience on this project has established their organization as a credible commercial developer in the Boynton Yards Urban Renewal District. For the city, the project demonstrates a clear development opportunity that will yield long-term economic benefits: jobs, income, and growth opportunities, a bright spot on Somerville's economic horizon.



Summit Industrial Park Feasibility Study

The central Massachusetts city of Gardner was long considered the furniture capital of New England. However, with the exodus of many of its furniture manufacturers over the past decade, Gardner, like many other New England cities, has been challenged to develop strategies to attract new business ventures as the manufacturing base has eroded. Committed to restoring the city's economic well-being, the Gardner Redevelopment Authority (GRA) recently seized an opportunity to develop a new industrial park in the hope of attracting companies to the city. The GRA acquired a partially developed 125 acre site and has rezoned the proposed industrial park to include 15 sites and create upwards of 400 new full time jobs. However, to establish an effective marketing strategy and determine the best phasing for development of the site, the GRA realizes the value of assessing the market demand for additional industrial sites in the region. Gardner's leadership has allocated city funds to support the study.

To broaden the scope of the feasibility study, the city asked the Land Bank to match these funds. As proposed, the study will resolve several development issues which are essential for successful completion and marketing of the industrial park. With the current improvements to Route 2 and the creation of a major intermodal facility at Ft. Devens, the City of Gardner expects that this industrial park will help it draw new businesses to locate in the area. If the feasibility study results are positive, the Redevelopment Authority will assemble the necessary financing and development package to build Summit Industrial Park, enhancing Gardner's potential to capture future economic growth in the region.

**"If we build it,
they will come..."**



Main Street Huntington Feasibility Study

A relatively small strategic investment of feasibility funds has enabled the Hilltown Community Development Corporation to continue development of its Main Street project. Considered the regional center of the southern Massachusetts "hilltowns," Huntington's once picturesque village center is now dominated by a row of buildings in disrepair. The Community Development Corporation has strong local support for its plan to purchase and rehabilitate these historic buildings. It is expected that this mixed-use rehab project of Main Street's storefronts and residential units will

enhance the town's center, restore needed commercial activity and preserve low-income housing. The Land Bank and the state's Community Economic Development Assistance Corporation (CEDAC) is helping the small village of Huntington hire a development consultant to continue progress in redeveloping the downtown's center. With a small investment and strong regional support, it is anticipated that the results of the pre-development analysis will be positive, smoothing the way for subsequent project financing and rehabilitation of these key buildings.



Fort Devens

The conversion of a military base to civilian use is again a major focus of Land Bank activity, returning the Land Bank to its original mission. In July 1991, President Bush approved the Base Closure and Realignment Commission's Report, which included Fort Devens as one of the 37

bases in the U.S. targeted for closure. Governor Weld responded to the situation by issuing an Executive Order designating the Land Bank as the lead agency to plan for the redevelopment of Fort Devens. Situated on approximately 9,000 acres and located within the four neighboring



towns of Ayer, Harvard, Lancaster and Shirley, Fort Devens has always been a significant part of the economic fabric of the host communities, and the region. The impact of Devens closing, anticipated for 1995, presents both challenges and opportunities to the four towns and to the north

central region of the state. To reduce the negative impact of the base closure, the Land Bank is working with a Redevelopment Board representing the towns, the region, and citizens to identify interim uses as well as cultivate opportunities for future long-term economic development. Creating jobs and protecting the environment are top priorities in the redevelopment of Devens. Before alternative uses can be explored, steps must be initiated to begin the environmental clean-up at Devens, characterized as one of the most ambitious in the country. The Land Bank has spearheaded an accelerated and cooperative cleanup process with the Army, the state Department of Environmental Protection, and the federal Environmental Protection Agency. This process is expected to cut years off the cleanup process.

Early Redevelopment Prospects

The Redevelopment Board and the Land Bank have completed the first phase of master planning while identifying two new development opportunities: an intermodal freight center serving the New England region, and a major federal prison facility.

Intermodal Facility

The Boston and Maine Railroad in conjunction with the Canadian Pacific have created an intermodal freight facility at the railway area of Fort Devens, formerly used as a freight transfer point for military vehicles and equipment with overseas destinations. Utilizing 34 acres of existing rail and freight handling facilities at the base, the distribution center will enhance Boston's position as a key transfer point for North American-European commerce. The rail freight distribution center will be

a magnet, drawing industrial development and warehousing uses to Fort Devens, creating jobs, and causing billions of dollars in new goods to flow through the Port of Boston.

Federal Prison

The Federal Bureau of Prisons has selected Fort Devens from several sites in New England to build a low-security federal prison. Their proposal includes the renovation and expansion of the existing Cutler Army Hospital into a Federal Medical Facility, and the construction of a 1,600 bed prison complex to house non-violent offenders. The local communities have expressed support for the prison facility at Devens, realizing its benefits to the region in terms of local purchasing, construction spending and long-term stable employment opportunities. Construction is scheduled to begin before the base is officially closed in 1995.

**Creating jobs and
protecting the
environment are
top priorities...**

Gloucester State Fish Pier

The New Port of Gloucester

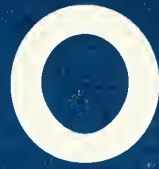
Gloucester is the oldest fishing port in America. With over 275 vessels, the Gloucester fleet lands more fish than any other port on the eastern seaboard. However, despite its strong tradition as a center of maritime activity, Gloucester and its fishing industry have experienced difficult times of late. The city's unemployment rate is over 15%

and its fishing industry has been buffeted by competition from foreign markets. With its economy tied to its waterfront, Gloucester needed a plan to revitalize its fishing industry through development of modern infrastructure, key to the industry's future. In partnership with the City of Gloucester and the Massachusetts Department of Environmental Manage-

ment, the Land Bank is overseeing the \$5.3 million redevelopment of the Gloucester State Fish Pier. Known as the "New Port of Gloucester," the redevelopment of the 54-year old fish pier is designed to assist the Gloucester fishing industry in gaining a competitive advantage as a center for fish harvesting and processing. The "New Port" has received considerable local and regional support, and is hailed as a critical component of Gloucester's economic future. Redevelopment of the Fish Pier will provide Gloucester's commercial fishing fleet with improved access, increased loading capacity, expanded plant facilities and greater independence for the local fishermen. Specifically, the project includes the construction of a 650-foot finger pier to accommodate 22 commercial fishing vessels, a floating dock system with additional berthing for 43 lobster boats, and the creation of five new development sites on the pier served by modern utilities. Though the project's public investment in pier infrastructure

improvements has already started, the redevelopment project will leverage \$5 million in private capital investment in a number of improved development sites, resulting in the creation of a seafood and marine-related industrial park. By utilizing public investment as a catalyst for private investment in Gloucester, the "New Port" project will make a significant and lasting impact on Gloucester's fishing industry. In terms of more direct benefits for Gloucester, the pier project will create over 200 new full-time jobs and will generate \$100,000 in needed revenue for the city. In addition to overseeing the development project, the Land Bank is providing an \$850,000 loan to finance a portion of the project. The Commonwealth and the Land Bank are making an investment to continue Gloucester's historic role and enhance its economic future as the fishing capital of New England.





ver the past few years, proponents of affordable housing development have confronted daunting obstacles in their efforts to expand the availability of low-income family and special needs housing in Massachusetts. Vocal community groups, housing advocates, and committed public organizations have witnessed dramatic reductions in federal and state subsidy programs, essential to making housing affordable to people of limited incomes. The slump in the real estate market and subsequent glut of foreclosed property, primarily in poorer communities, has reduced income for projects while discouraging private lenders from investing in vital housing rehabilitation and development.

During this period, subsidized long-term financing from the Land Bank has been a consistent resource for housing developers and community groups to complete projects. Furthermore, the Land Bank has used its invaluable flexibility to help projects weather declining resources. The Land Bank Board of Directors has consistently adopted policies that help sponsors overcome funding obstacles, including 707 rental reductions, and RDAL cut-backs. Since moving an affordable housing project forward now requires an increasingly complex layering of financing sources, the Land Bank has committed itself to improving its Residential Financing Program and strengthening coordination with our sister agencies. It is our goal to make long-term fixed rate loans to provide housing for low- and moderate-income families and for special needs populations. To accomplish these goals, the Land Bank will finance multi-family rental and cooperative housing developments which serve the needs of working families. For persons with special needs, the Land Bank will finance single room occupancy housing and special needs housing enhanced by supportive services to enable individuals to live independently. When a project meets the Land Bank's lending criteria, our project staff will help proponents meet application requirements, work with the sponsor to structure a successful loan, and coordinate decision making with other funding sources. As private lending institutions are essential to providing financing for affordable housing projects, the Land Bank will continue to cultivate relationships with private

lenders, encouraging their participation in financially sound residential projects with tangible public benefits. In this period of increased demands on limited resources, the Land Bank acknowledges the importance of creating partnerships with our agency counterparts. A recent accomplishment has been the creation of the "One-Stop" application, a collaborative effort to simplify the application process. Through this partnership, housing finance agencies are now working to standardize lending criteria and improve the review process for affordable housing projects. The projects profiled in this report reflect the range and diversity of populations and communities served by the Land Bank. We believe that they demonstrate our commitment to stay with projects and ensure their long-term viability, despite the challenges and uncertainties of the current lending climate. As a public lender, we will continue to work with housing advocates, developers, and community-based organizations to identify opportunities and strategically invest in projects that fulfill our mission of opening the doors to housing that truly meets the needs of diverse communities in our state.





St. Patrick's Housing Cambridge

Cambridge is a city proud of and committed to maintaining its diversity of cultures, lifestyles, and income groups. St. Patrick's Church is a compelling example of how a locally-based community group recognized and responded to Cambridge's single greatest need – affordable housing. For almost a decade, the city has experienced upscale development and its ensuing displacement of lower income residents. Cambridge's problem was compounded by the reality facing many other municipalities in the state – insufficient federal and state funding to create low-income housing. A walk through the city demonstrates the growing number of individuals and families at risk of losing their housing. This situation inspired the collaboration of a number of private and public sector organizations to increase the supply of low-income housing. After the closing of St. Patrick's Church, long a spiritual

and community center for the residents of East Cambridge, community-based Just-A-Start Corporation saw an opportunity to convert the church property to affordable housing. Through the generosity of the Archdiocese of Boston, Just-A-Start was able to acquire the church sanctuary, parish halls, rectory, and an adjacent apartment building at below market value. The archdiocese stipulated that the property be used in perpetuity for low-income housing. With site control, Just-A-Start assembled the many financing sources key to affordable housing development. The Land Bank contributed \$855,000 as part of the project's financing package, that also included loans from East Cambridge Savings Bank, the Cambridge Housing Trust, and low-income housing tax credits awarded by the state's Executive Office of Communities and Development. To the satisfaction of neighborhood residents



and former parishioners, the renovations to the 80-year old church did not change St. Patrick's exterior. It did, however, successfully create 32 units of housing, providing another opportunity for Cambridge's low- and moderate-income families to find affordable homes.

Beaver Apartments

Worcester

As the second largest city in New England, Worcester has many of the same problems that plague other cities in the region – high unemployment, serious cuts in local aid, and a shortage of decent and affordable housing for its residents. In considering the current economic climate, the Beaver Apartment project is a success story for Worcester's Main South neighborhood. Like scores of affordable housing deals in the state, the Beaver Apartments lost its project-based 707 certificates, forcing project sponsors to restructure its financing. After skillful

negotiations and unrivaled tenacity, the Main South CDC was able to compensate for this loss by negotiating a lower acquisition price, increasing equity contributed to the project, and attracting more Section 8 certificate holders as residents. The 100-year old building at Main and Beaver streets is a symbol of a neighborhood harnessing private and public resources to transform abandoned, blighted properties into housing and retail space to serve its residents. The local initiative demonstrated by the Main South CDC in completing this \$1.6 million renovation project represents a "first" for a number of supporters. It is the first development project financed by the Land Bank in Worcester; the first project to receive funding from the Worcester Fund, an innovative program of socially responsible banking introduced by Flagship Bank; and is also Worcester's first residential project to use federal HOME funds.



Retaining diversity
through affordable
housing

The Salem Harbor Community Development Corporation labored for over two years to secure \$6 million in financing to rehabilitate 77 units of deteriorated, bank-owned property in the Point neighborhood of Salem, considered to be one of the poorest in the city. Badly neglected for the past 25 years, and only partially occupied, the once-deteriorated apartments are occupied, a tribute to the spirit and tenacity of the community and the CDC that advocated for the turnaround of this forgotten and blighted neighborhood. If the CDC could assemble the financing to acquire and renovate the 11 buildings, located within a three block area, there was clearly an opportunity to stabilize the neighbor-

hood, home to many low-income minority families, ignored for years as development spread to other parts of the city. The CDC initially received a major financial commitment from the Bank of New England (BNE) and a consortium of local banks to finance the rehab project. During pre-development, however, the failure of the BNE and its subsequent takeover by the FDIC caused serious delays in the project. That wasn't the only obstacle facing the Salem Point CDC. Several months after the withdrawal of the BNE commitment, the CDC was notified that there was a shortfall in the available RDAL funds administered by the state, and consequently, the project would lose the RDAL grant they needed to subsidize the project over the long term. As a result of the creative posturing of the CDC and their unswerving commitment to see this project through to completion, the

Land Bank both increased its loan amount to \$1.4 million, representing 50% of the project's permanent financing, and reduced its interest rate on the loan. The Land Bank worked with the CDC to complete the last step in securing the necessary financing which was the allocation of an additional award from the state's Housing Innovations Fund. This winter, 250 people are now residents and members in the cooperative project, which gives them a voice in the ownership and management of their households. The community's dream of seeing the Point neighborhood turn itself around and of having decent and affordable housing available for its families has become a reality.







The Maples Florence

Perhaps no other social trauma is as devastating as the experience of homelessness. Yet thousands of individuals and families in Massachusetts are homeless because they cannot secure stable housing or are denied housing because of special needs. The Land Bank has responded to the pressing problems of the homeless and to serving populations with special needs by greatly increasing its resources to help preserve and create special needs housing. In the past two years, the Land Bank has distinguished itself as a key financing entity for more than 700 single room occupancy units and special needs housing statewide. One example is the Maples project in Florence. Facing scarce government funding and a skeptical community, the Valley Community

**More than shelter:
a stable
environment...**

Development Corporation in Northampton has succeeded in converting an unoccupied rooming house destroyed by fire, into an attractive and welcoming residence, restoring 11 rooms to the village of Florence. While the Valley CDC is a relatively new organization in the Northampton area, it has already established itself as an advocate for and provider of special needs housing. The Maples project provides its residents with more than shelter; it creates a stable environment with community-based supportive services. Veterans, individuals with mental illness, and women who have been the victims of domestic violence are among the residents housed at the Maples. The need for support services for the target population is high.

The Maples staff will help residents have access to a wide range of essential social services to help them attain greater self-sufficiency and security. Through a combination of financing sources including the Land Bank, McKinney subsidies, CEDAC, Institute for Community Economics, and the City of Northampton, important special needs housing is being preserved for persons who might otherwise be homeless.



Cortes Street SRO

Boston

Wedged between the landmark buildings in Boston's historic Bay Village and the anonymity of the Mass. Turnpike, stands a block of brick row houses. These apartments were part of the large stock of lodging houses that afforded low-income people in the city a home. Through the efforts of an innovative project developer, the apartments on Cortes Street were spared the fate of many other

lodging houses that were converted to other uses, leaving many people homeless. But to Boston Aging Concerns/Young and Old United (BAC/YOU), homelessness is an everyday problem that demands creative solutions. Considered to be one of the leading developers of single room occupancy units in the state, BAC/YOU, in partnership with the

Arlington Street Community Development Corporation, succeeded in assembling financing for the Cortes Street rehab in one of the most constrained lending environments for housing development. The Land Bank was among the large number of public and private entities assembled by BAC/YOU to finance the extensive, \$3.5 million renovation project. Without the Cortes Street project, the individuals who will be moving into their new

residences this spring, might otherwise have been part of Boston's growing homeless population. With Cortes Street and the Maples projects, the Land Bank has made a major step toward financing over 700 single room units across the state, distinguishing us as a premier lender of special needs housing.

Financial Statements
Balance Sheet June 30, 1992 and 1991

Assets	1992	1991
Cash, cash equivalents and investments, at cost	\$44,548,425	\$49,049,321
Grant and interest receivable	1,792,757	1,493,719
Projects' accounts receivable	567,777	84,072
Mortgages receivable, net	25,834,274	19,678,611
Projects in progress	296,604	290,879
Prepaid expenses	125,671	149,685
Fixed assets	100,551	9,655
Total assets	\$ 73,266,059	\$ 70,755,942

Liabilities and Fund Equity		
Accrued interest payable	\$ 9,907,965	\$ 9,267,393
Bonds payable	32,734,825	39,973,715
Other liabilities	1,699,273	1,231,046
Contributed capital and accumulated surplus	28,923,996	20,283,788
Total liabilities and fund equity	\$ 73,266,059	\$ 70,755,942

Statement of revenues and expenses for the years ended June 30, 1992 and 1991		
Interest income	\$ 3,732,597	\$ 4,080,898
Other income	68,893	71,903
Total income	3,801,490	4,152,801
Salaries and employee expenses	869,716	676,956
Professional fees	1,012,563	455,357
Rent and utilities	137,691	139,106
Office supplies and services	94,151	59,986
Provision for loan losses	19,302	1,073,887
Other administrative	168,632	113,327
Total operating expenses	2,302,055	2,518,619
Contract assistance	5,978,486	5,980,783
Interest expense	(1,233,486)	(1,645,783)
Net contract assistance	4,745,000	4,335,000
Excess revenue	\$ 6,244,435	\$ 5,969,182

These statements are excerpts from the annual audit which is available upon request.

Project	Community	Original Loan Amount	Total Development Costs	Status	Total Housing Units	Commercial or Industrial Square Footage	Total Permanent Jobs Created
34 Linden Street	Somerville	\$ 510,000	\$ 1,239,355	Committed	0	41,075	35
Acre Triangle	Lowell	235,000	2,435,500	Paid Off	24	0	0
Airpark North	Chicopee	1,000,000	9,721,014	Closed	0	360,000	400
Airpark West	Chicopee/Ludlow	985,000	4,785,000	Paid Off	0	827,000	1,600
Borrett Block	Adams	168,000	292,863	Closed	8	3,200	0
Beaver Apartments	Worcester	875,000	1,666,570	Committed	26	6,050	0
Berk. Bus. Ventures	Pittsfield	150,000	300,000	Closed	0	8,000	5
So. Bos. Naval Shipyard	Boston	4,700,000	9,800,000	Closed	0	3,218,402	2,000
Bowditch School	Boston	490,000	4,324,757	Closed	46	0	0
Bowdoin Street	Boston	1,350,000	4,977,803	Committed	120	1,400	9
Brent Street	Boston	77,302	78,801	Paid Off	6	0	0
Broodway Tower	Revere	2,500,000	7,399,100	Closed	92	0	0
Burton Court	Boston	368,363	473,363	Paid Off	7	0	0
Coledonian Building	Holyoke	875,000	1,200,000	Paid Off	0	20,000	3
Cambridge Biotech Corp	Shrewsbury	9,000,000	28,000,000	Committed	0	95,000	230
Cambridge YWCA	Cambridge	600,000	1,850,000	Closed	104	17,000	25
Cambridge YMCA	Cambridge	1,370,000	5,802,146	Committed	129	0	0
Carol Ave Coop	Boston	2,512,237	3,200,000	Closed	33	0	0
Chelsea Naval Hospital	Chelsea	2,812,947	93,027,000	Paid Off	745	70,000	55
Cooke Bldg	Athol	200,000	903,013	Closed	0	13,800	15
Cortes Street	Boston	800,000	3,509,177	Committed	48	0	0
Depot Crossing	Wareham	1,350,000	2,869,391	Committed	32	0	0
Dimock Youth & Family Center	Boston	1,200,000	2,925,000	Closed	0	24,175	80
Dudley Street	Boston	263,799	289,114	Closed	9	1,530	13
Eagle Air Freight	Chelsea	2,300,000	6,220,000	Committed	0	125,000	365
Eliz Stone House	Boston	350,000	1,337,630	Closed	14	0	0
Fenigote Coop	Boston	1,040,100	4,477,886	Closed	46	3,400	0
Fish Pier Redevelopment	Gloucester	1,166,000	5,952,756	Committed	0	67,500	250
Elm Village Plazo	Fall River	250,000	3,000,000	Closed	0	50,000	80
Fogerty Building	Cambridge	806,000	1,315,630	Closed	17	0	0
Garrison Inn	Newburyport	900,000	1,339,750	Paid Off	0	16,000	35
Goddard Building	Boston	350,000	1,620,000	Committed	0	16,000	15
Greenfield Venture Center	Greenfield	325,000	1,030,000	Closed	0	35,000	100
Hordwick Kiln	Hordwick	250,000	940,000	Closed	0	10,000	8
Head of the Harbor	Gloucester	675,000	3,100,000	Paid Off	0	24,500	60
Hyde Square Cooperative	Boston	517,470	5,538,045	Committed	41	0	0
JP Scattered Site	Boston	818,175	1,409,111	Closed	20	0	0
Lechmere Canal	Cambridge	1,864,114	10,370,000	Closed	189	490,000	2,000
Lithgow Block	Boston	981,250	2,420,000	Closed	0	21,200	100
Lower Mills I	Boston	1,345,400	3,363,500	Closed	53	0	0
Lower Mills II	Boston	2,018,100	5,483,000	Closed	80	1,000	2
Moin Street	Springfield	149,000	244,400	Paid Off	23	0	0
Market Square	Northampton	724,943	1,510,645	Closed	12	12,360	30
Masonic Block	Orange	410,000	1,769,405	Closed	0	23,600	25
Moss Control RR	Palmer	410,000	973,521	Closed	0	9,225	42
Midtown Plazo	Springfield	340,000	1,332,732	Closed	0	28,525	58
New Hope	Holyoke	1,191,919	1,439,800	Closed	32	500	0
Norfolk Terrace II	Boston	543,150	543,150	Closed	17	0	0
Old Library	Lowrence	600,000	1,183,000	Paid Off	0	18,000	15
One Market St	Lynn	616,122	831,983	Closed	0	26,000	30
Orange Athol Inn	Orange	212,000	260,780	Closed	6	0	0
Orange Cooperative	Orange	117,171	475,536	Committed	6	0	0
Pomeroy Lane Coop	Amherst	850,000	2,806,256	Committed	25	0	0
Project Family Independence	Boston	1,000,000	1,697,323	Committed	15	5,000	3
Pion. Vol. G'wer Assoc.	Whately	160,000	270,000	Closed	0	8,000	25
Redfield School	Pittsfield	616,766	2,119,000	Closed	24	3,500	0
Renwood-AAC-Dimock	Boston	750,000	2,566,202	Committed	24	0	0
Ridgewood Village	Chicopee	2,300,000	14,634,605	Closed	264	0	0
Salem Point	Salem	1,572,304	5,225,563	Committed	77	0	0
Somerville Housing	Somerville	832,000	832,000	Paid Off	13	0	0
Stonybrook Gardens	Boston	528,123	6,753,695	Committed	50	0	0
St. Patrick's Place	Cambridge	865,000	3,586,419	Committed	32	0	0
Summer St Apartments	Lowrence	530,000	621,163	Closed	12	0	0
Topley Court	Springfield	750,000	3,397,000	Committed	30	0	0
The Moples	Northampton	376,605	471,605	Committed	11	830	0
Trinity House	Boston	286,000	1,428,539	Committed	16	0	0
Tri-Parks	Springfield	1,200,000	13,360,000	Committed	0	353 acres	0
67 Projects		\$68,626,561	\$320,320,507		2,578	5,701,772	7,704

Closed loan balances are for 7/31/92

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Massachusetts Government Land Bank

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